



Maryland Department of Housing  
and Community Development  
*Secretary Kenneth C. Holt*

# **REVISION OF THE 2016 QUALIFIED ALLOCATION PLAN AND MULTIFAMILY RENTAL FINANCING PROGRAM GUIDE**

## **REGIONAL MEETINGS**

Maryland Department of Housing &  
Community Development



# **AGENDA**

**5 min**

- **Summary of outreach and input received to date**

**10 min**

- **Overview of applications received and projects that have been funded through the current QAP and Guide**

**15 min**

- **Key changes being considered to the 2016 QAP and Guide**

**90 min**

- **Input and discussion**

# **OUTREACH AND INPUT TO DATE**

- **Qualified Allocation Plan & Guide Survey – Issued in September – 40+ responses to date**
  - <https://www.surveymonkey.com/r/FJXN5J9>
- **Website Created to Share Documents**
  - <http://dhcd.maryland.gov/HousingDevelopment/Pages/lihtc/qap2016.aspx>
- **Email Address Established for Submission of Comments**
  - [dhcd.qap@maryland.gov](mailto:dhcd.qap@maryland.gov)
- **“Community Café” Focus Groups:**
  - 10/19 - Developers
  - 10/23 - Lenders and Investors
  - 10/26 - Contractors and Architects
  - 10/30 - Advocates and Associations

**Please see handout for a summary of the survey and focus group results.**

# **REGIONAL MEETINGS SCHEDULE**

## **Western Maryland:**

**Monday, December 7, 2015**

**11:00 am to 1:00 pm**

**Gateway Crossing Community Center**

**40 Elgin Boulevard**

**Hagerstown, Maryland 21740**

## **Central Maryland – South:**

**Friday, December 11, 2015**

**10:00 am to noon**

**Heritage Office Complex**

**2664 Riva Road**

**Independence Conference Room, Room 170**

**Annapolis, Maryland 21401**

## **Southern Maryland:**

**Wednesday, December 9, 2015,**

**6:00 pm to 8:00 pm**

**Maryland Department of  
Housing and Community Development**

**7800 Harkins Road**

**Lanham, Maryland 20706**

## **Eastern Shore:**

**Monday, December 14, 2015**

**11:00 am to 1:00 pm**

**Town of Denton**

**4 North Second Street**

**Denton, Maryland 21629**

## **Central Maryland – North:**

**Tuesday, December 15, 2015**

**11:00am to 1:00 pm**

**Sollers Point Multi-Purpose Center**

**323 North Sollers Point Road**

**Dundalk, Maryland 21222**



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# **REGIONAL MEETINGS – GOALS AND PROCESS**

**Seeking input and engagement in the process for revising the Qualified Allocation Plan and Multifamily Rental Financing Program Guide** – ensure that the Department provides ample opportunity for interested parties to have their say and to hear about DHCD's priorities.

**Discuss the potential major revisions** – provide notice of the big changes the Department is considering and an opportunity for comment and input in advance of the issuance of the first Draft of the Qualified Allocation Plan and Guide in early 2016.

**The Department's Goal: adopt a revised QAP and Guide that achieves a balance of many competing priorities and benefits from the collective expertise and experience of interested parties.**

# What Are the Big Themes We Have Heard So Far?

In the competitive process, geographic distribution is out of balance; more deals are approved in QCTs than in Communities of Opportunity, and few to no deals getting done anywhere else.

QCT deals benefit through the scoring system, and are easier to get approved by local government.

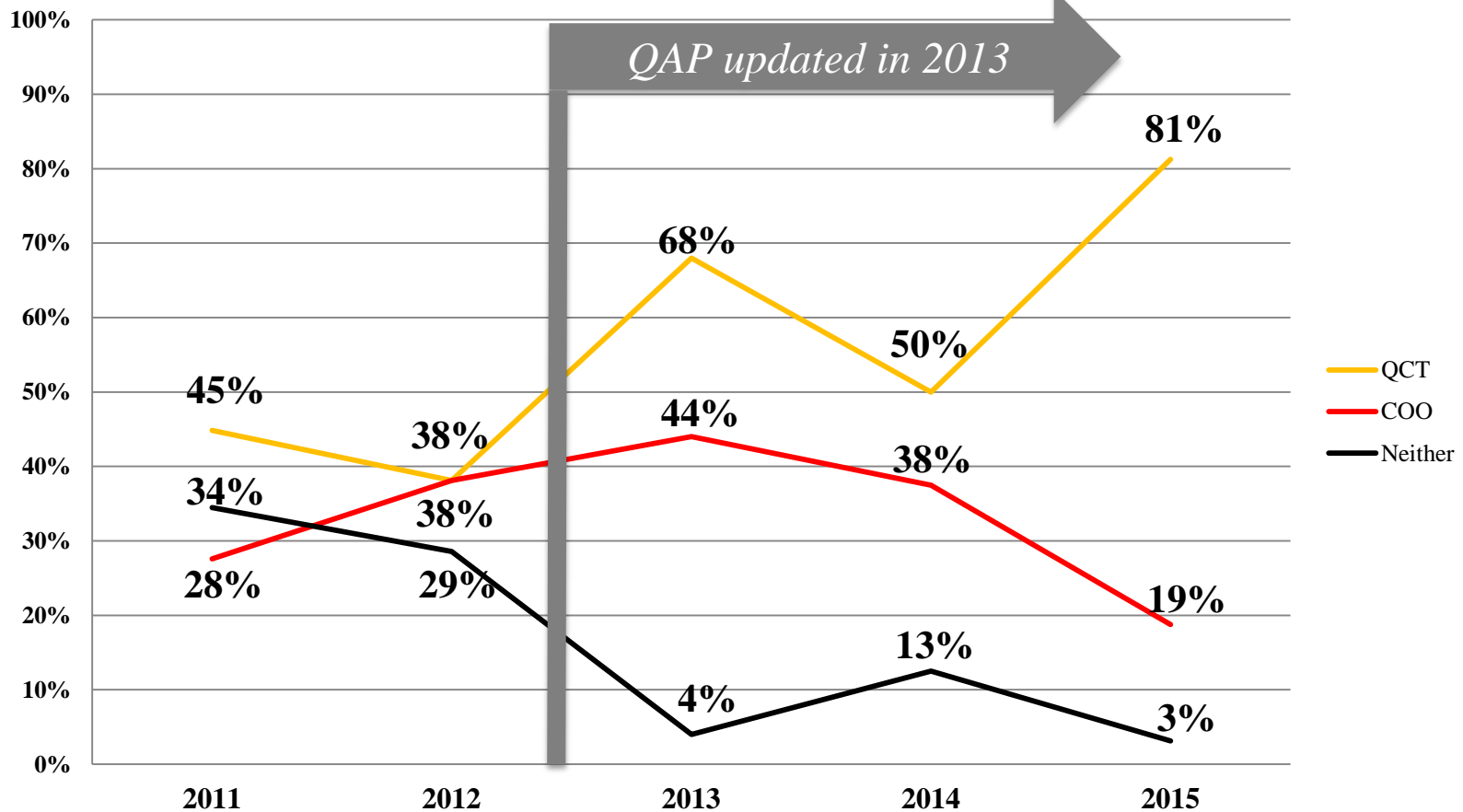
The Department needs to take steps to streamline administrative processing and increase transparency.

While there is an interest in achieving some level of Cost Containment, this is counter-balanced by a general desire to ensure that developments remain of a high construction quality.

Areas that are in priority funding areas but fall outside of a QCT and Communities of Opportunity should be given an opportunity to successfully compete for competitive resources.

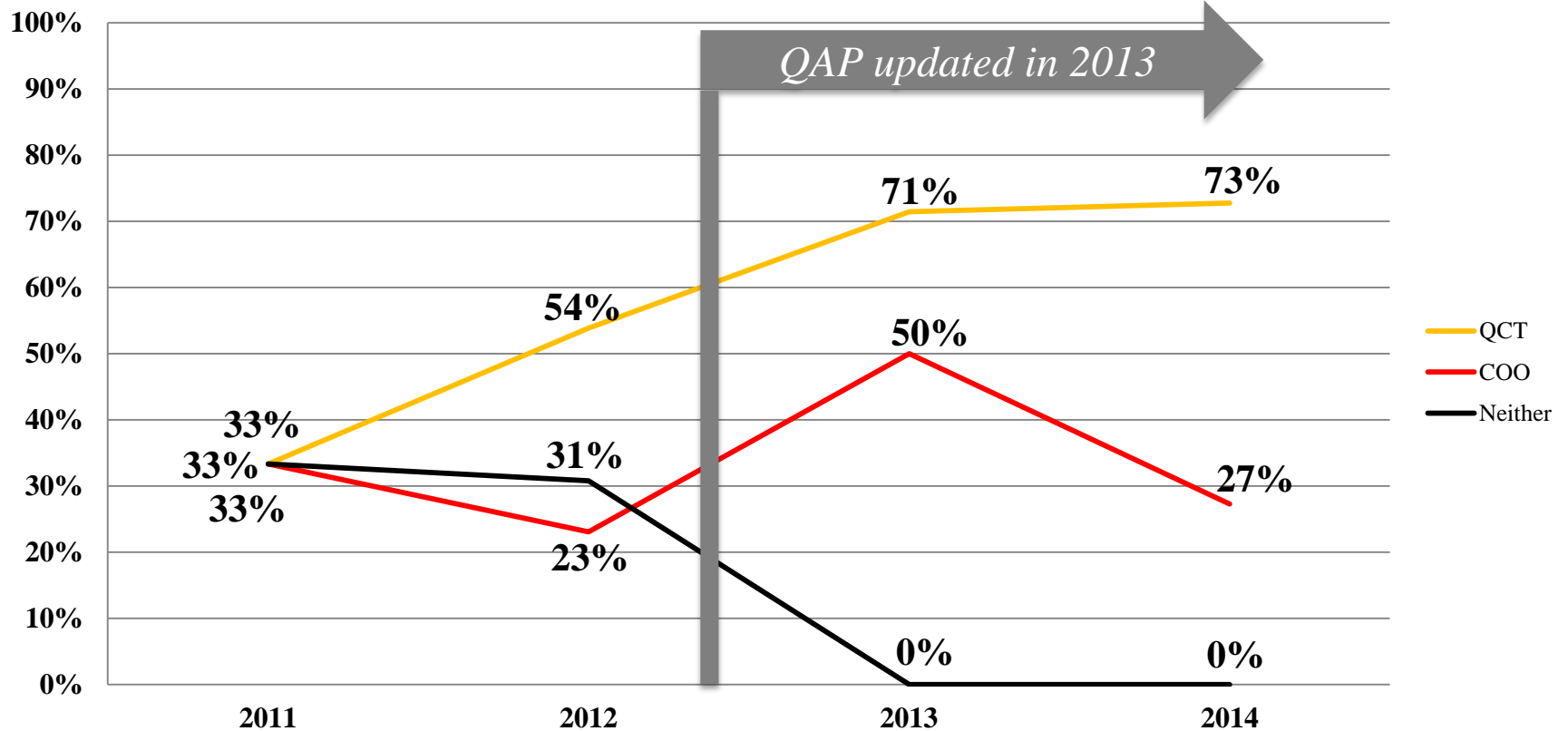


## Applications Received by Round



Total percentage may not add up to 100% since some properties are located in both a QCT and Community of Opportunity, thus counted twice: 4 in 2013; 0 in 2014; 1 in 2015.

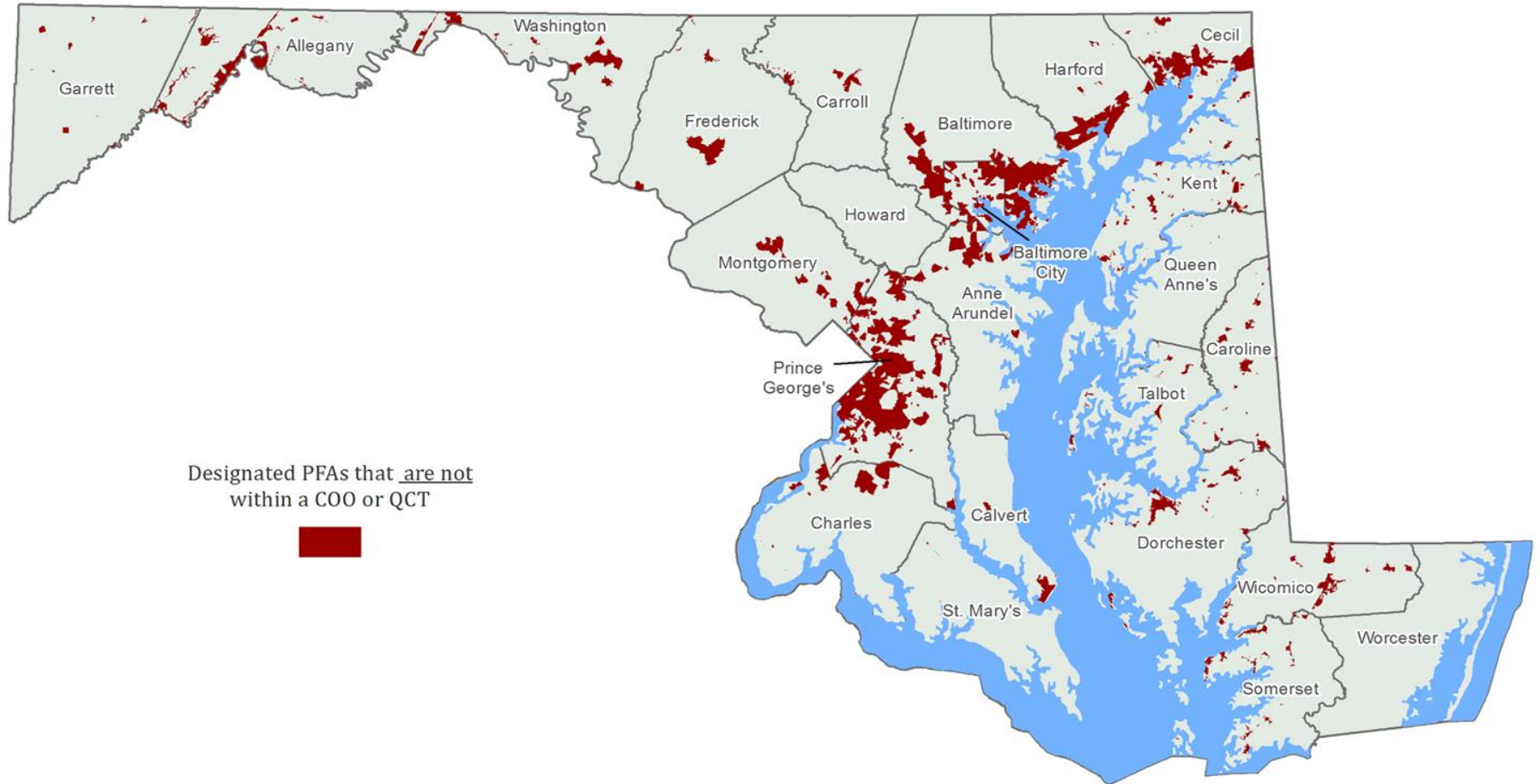
## Applications Funded by Round



Total percentage may not add up to 100% since some properties are located in both a QCT and Community of Opportunity, thus counted twice: 3 in 2013; 0 in 2014.



## Designated Priority Funding Areas (PFAs) that are not within a Community of Opportunity (COO) or Qualified Census Tract (QCT)



# PROPOSED CHANGES TO THE QUALIFIED ALLOCATION PLAN

\*Update demographic data used in determining Communities of Opportunity

- A. Establish additional incentives for projects located in Communities of Opportunity:
  - 1. Provide either a 25% Set Aside or the 130% State Basis Boost for Tax Credits
  - 2. Provide additional flexibility in processing schedule after a funding reservation to allow more time to get deals approved through the local entitlement process
  - 3. Provide development fee boost above current limits
  - 4. Allow for reimbursement with DHCD funds of higher acquisition costs (i.e. greater than appraised value) for land/buildings
  - 5. Allow for higher construction costs
- B. Adjust Community Context scoring category (Section 5.2 of the Guide) by adding points for projects not located in either Communities of Opportunity or Qualified Census Tracts.
- C. Tighten up the definition of "concerted community revitalization plan" when awarding points under Section 5.2.1

# PROPOSED CHANGES TO THE QUALIFIED ALLOCATION PLAN

- D. Incentivize inter-generational housing
- E. Remove Priority Project Categories
- F. Remove Base Realignment Commission (BRAC) preferences
- G. Eliminate/Modify preferences for projects located in Transit Oriented Developments
- H. Decrease Site Control requirement from 360 days to 180 days
- I. Remove 20% Site Work cost limitation
- J. Provide list of applications received within 14 days of application deadline

# **PROPOSED CHANGES TO THE QUALIFIED ALLOCATION PLAN**

- K. Simplify financial statement requirements to decrease waiver requests
- L. Eliminate preference for developments located in Brownfields
- M. Adjust definitions of disability to include homeless
- N. General simplification of Guide; separate out processing requirements into standalone document(s)
- O. Adjust processing requirements to speed up processing from reservation to initial closing

# ZOOMING IN ON COST CONTAINMENT

**We are looking for  
Work Group  
Volunteers**

- Cost per Square Foot
- Per unit costs
- Net Zero
- Other Energy Efficiency Options

**Cost Containment**



# INPUT AND DISCUSSION

